Fall 12-14-2013

A Practicum in Financial Planning

Erika L. Klosterman
Western Kentucky University, Erika.klosterman255@topper.wku.edu

A PRACTICUM IN FINANCIAL PLANNING

A Capstone Experience/Thesis Project

Presented in Partial Fulfillment of the Requirements for

the Degree Bachelor of Science with

Honors College Graduate Distinction at Western Kentucky University

By

Erika L. Klosterman

******

Western Kentucky University
2014

CE/T Committee:

Andrew Head, Advisor
Executive-in-Residence

Dr. Michelle Trawick

Dr. Lisa Duffin

Approved by

____
Advisor
Department of Finance

ABSTRACT

A Practicum in Financial Planning explains the six stage process of creating a comprehensive financial plan, and in doing so provides an example of a financial plan for the Jackson family to clarify the process. The six stage process consists of: establishing and defining the client-planner relationship, gathering client data, analyzing and evaluating the client's current financial status, developing and presenting recommendations and/or alternatives, implementing the recommendations, and monitoring the recommendations. The importance of a financial plan for all individuals is also discussed.

Keywords: Financial, Planning, Plans, Finance, CFP, Capstone

Dedicated to my Family, Friends, and Gordon Ford College of Business Faculty

ACKNOWLEDGEMENTS

This project would not have been possible without the help, expertise, and support of multiple people. I am appreciative of my Capstone Experience and Thesis Advisor, Andrew Head, for his continuing support, knowledgeable impact on my work, and his ability and willingness to give so much time to challenge me as a scholar. Thank you to the members of my committee – Dr. Michelle Trawick and Dr. Lisa Duffin **-** for their time and insight.

I would also like to the take the time to thank my family and friends for their constant support and encouragement. With their presence, I acquired the confidence and strength to complete a project like this.

VITA

July 28, 1992………………………………………………. Born Louisville, Kentucky

2010…………………………………………………………..Nelson County High School,
Bardstown, Kentucky

2011…………..……………………………………..…….Student Assistant,
Gordon Ford
College of Business
Dean's Office

2013…………………………………………………………..Financial Success Counselor,
Western Kentucky University
Center for Financial Success

FIELDS OF STUDY

Major Field: Business Administration Management

Minor Field: Finance

Certificate: Financial Planning

TABLE OF CONTENTS

LIST OF FIGURES

CHAPTER 1

INTRODUCTION

Financial planning is a long-term process that is needed throughout life in order to manage finances in an intelligent manner. The purpose of managing finances wisely is to achieve all short and long term goals, while also being prepared to confront any complications that are unavoidable.

The basis for successful financial planning is the creation of a financial plan; therefore, the construction of a financial plan will be the main focus of this document. This process includes six stages to be covered in detail and with a continuous example in the successive chapters. These stages are as follows: establishing and defining the client-Planner relationship, gathering client data, analyzing and evaluating the client's current financial status, developing and presenting recommendations and/or alternatives, implementing the recommendations, and monitoring the recommendations[1]. Practice standards are a part of every stage and are intended to assure that there is a base of established norms of practice that Certified Financial Planner™ (CFP®) professionals are following. Practice standards also enhance the professionalism in financial planning, and are meant to increase the value of the financial planning process.

With improved knowledge of the process comes the realization that financial planning is a very beneficial and important topic that would positively impact an immense amount of people if convinced to take advantage of it; support for this will be provided in the last chapter.

[1] CFP Board. (2013). Financial Planning. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/compliance-resources/frequently-asked-questions/financial-planning.

THE ROLE OF CFP BOARD AND CFP DESIGNATION

The financial planning profession is linked with the designation of Certified Financial Planner™ (CFP®). The CFP certification is the culmination of rigorous requirements and is something that must be maintained through practice. The process of receiving certification includes education, examination, experience, and ethics[2]. All of these aspects distinguish a CFP® professional from the general practitioner that has not received the proper training. With a designation of CFP®, clients can be assured there is a set of standards which ensure all work will be of high quality and the CFP® will be dedicated and ethical. A CFP® is also revered amongst professionals in the industry, providing a great deal of respect and trust to those that have obtained it. The support of one main designation in the industry gives potential clients the confidence they need in order to trust a CFP® to handle sensitive information.

Therefore, for the purposes of this document, along with the financial planning stages from the CFP board, the CFP practice standards will also be used. These standards are backed by the Financial Planning Standards Board Ltd. (FPSB) which "is a nonprofit association that manages, develops and operates certification, education and related programs for financial planning organizations so that they may benefit the global community by establishing, upholding and promoting worldwide professional standards in financial planning[3]."

In comparison to the stages from the CFP Board, the National Association of Personal Financial Advisors (NAPFA) has different stages for the financial planning process that is used by fee-only financial advisors. This process includes sharing, cultivating a relationship, determining net worth, gathering detailed information, constructing a cash flow statement, analyzing spending habits, gathering and analyzing financial statements, and discussing various

[2] Financial Planning Standards Board. (2013). CFP Certification Requirements. Retrieved from https://www.fpsb.org/certificationandstandards/cfpcertification.html.
[3] Financial Planning Standards Board. (2013). About FPSB. Retrieved from https://www.fpsb.org/about.html.

life planning assumptions[4]. While the process has similarities, the CFP Board stages are a streamlined process broken down into only six stages and are used in connection with the CFP Practice Standards. In order to maintain consistency in ideals and valid support of the information, CFP Board regulations and standards will be used.

[4] National Association of Personal Financial Advisors. (2012). Why Financial Planning is Important. Retrieved from http://www.napfa.org/consumer/WhyFinancialPlanningisImportant.asp.

CHAPTER 2

ESTABLISHING AND DEFINING THE CLIENT-PLANNER RELATIONSHIP

To begin the process of creating a financial plan with a planner, the client and the planner need to jointly define the scope of the relationship in order to decide what activities may be necessary to progress with the engagement, which is considered to be the first practice standard. In financial planning engagements, this is accomplished by identifying what service or services are to be provided, disclosing the planner's material conflicts of interest and compensation arrangements, determining the client's and the practitioner's responsibilities, establishing the engagement's duration, and providing necessary information that could additionally define or limit the scope[5].

This stage is beneficial in many aspects to all involved. When done correctly this increases the chances of the client's expectations being achieved. It also serves as a way to focus both participants in the engagement on the agreed upon tasks which increases the potential that the final results will be positive. This also reflects well on the profession of financial planning in that when expectations are realistic and clear before the services are completed the client is ultimately satisfied.

There are also many expectations that planners must meet which are part of the implied agreement between the client and planner. It is expected that the planner has integrity, as trust is essential to the success of the relationship. The planner needs to give objective advice that is solely based on the needs of the client. There must be an acceptable level of competence on the

[5] CFP Board. (2013). Practice Standards 100. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/standards-of-professional-conduct/financial-planning-practice-standards/practice-standards-100.

planner's part to ensure valid advice is given. The client should always be treated fairly and should have a clear understanding of all services provided, costs, risks associated with following certain recommendations, and any potential conflicts of interest. Since the topics of discussion amongst a client and planner contain very sensitive information, the planner should maintain the client's preferred level of privacy. A planner should always be professional and in doing so must only give advice that he is appropriately qualified and licensed to distribute. If he is not in the possession of the required expertise then he should direct the client to the assistance of a qualified professional in the subject. Lastly, all planners should be diligent by being clear in establishing the relationship and realistically investigating all items recommended, as well as supervising all staff working with the client closely.

THE JACKSONS

For an all-inclusive example, supporting and clarifying the use of the six stages of financial planning, the Jackson family will progress through each stage to create a comprehensive financial plan. This is the scope of the engagement between client and planner. This stage would include the drafting of an engagement letter that defines what is expected of all participants and describes what is going to occur in the process. This includes a list of services that are required for the comprehensive financial plan to be completed, and the length of the agreement; this plan is a lifelong engagement for the Jackson family. The cost structure for every service will be outlined in the engagement letter, so that the clients are aware of the burden of services from the planner. Lastly, the document should assure the clients that the planner will follow all guidelines for conduct as established by the CFP board and that there are no conflicts of interest by accepting the engagement. Figure 2.1 depicts a sample engagement letter provided by the CFP Board.

Figure 2.1

Sample Engagement Letter

Name of CFP® Professional
Firm Name
Address
City, State Zip

Date

Client Name
Address
City, State Zip

Dear Mr./Ms. [Client Name]:

Thank you for the opportunity to meet with you. I welcome the opportunity to work with you as your financial planner. This engagement letter outlines the specific terms of the financial planning engagement between:

NAME OF CFP® PROFESSIONAL, CLIENT1 and CLIENT2

If the scope or terms of the financial planning engagement change, they should be documented in writing and mutually agreed upon by all parties to the engagement.

Please be assured that all information that you provide will be kept strictly confidential. During the financial planning engagement I may, on occasion, be required to consult with other third-party professionals at which time I would obtain your written permission to disclose your personal information.

As discussed during our introductory meeting, this engagement will include all services required to develop a [TYPE] plan. These services will specifically include: [CHOOSE ANY THAT APPLY –DELETE ANY THAT DO NOT APPLY]

- Reviewing and prioritizing your goals and objectives.
- Developing a summary of your current financial situation, including a net worth statement, cash flow summary, and insurance analysis.
- Reviewing your current investment portfolio and developing an asset management strategy.
- Developing a financial management strategy, including financial projections and analysis.
- Completing a retirement planning assessment, including financial projections of assets required at estimated retirement date.
- Assessing estate net worth and liquidity.

- Identifying tax planning strategies to optimize financial position.
- Presenting a written financial plan that will be reviewed in detail with you. It will contain recommendations designed to meet your stated goals and objectives, supported by relevant financial summaries.
- Developing an action plan to implement the agreed upon recommendations.
- Referral to other professionals, as required, to assist with implementation of the action plan.
- Assisting you with the implementation of the financial plan.
- Determining necessity to revise your financial plan.

This will be an on-going professional relationship. At a minimum, we will meet on an annual basis to ensure the plan is still appropriate for you. [This is not intended to be an ongoing relationship. The engagement will end upon delivery of the services described above.] Either party may terminate this agreement by notifying the other in writing. Any fees incurred prior to date of termination will be payable in full.

My services will be charged on a flat-fee basis [or, describe fees]. We agreed on a fee of $xxx for the first year of service. This includes development and delivery of your financial plan, unlimited email communication and a review meeting in XX 2013. Please provide a check for $$$ with a signed copy of this engagement letter. An additional $$$ will be billed at the end of XX. The balance will be payable [DESCRIBE TERMS]. You agree to pay any outstanding charges in full within 15 days of billing. Please make checks payable to NAME OF FIRM.

Please be advised that I do not receive a referral fee from any other professionals to whom you may be referred.

[THE FOLLOWING PARAGRAPH MAY BE REDUNDANT IF ADEQUATELY COVERED IN OTHER DOCUMENTS]
In order to ensure that the financial plan contains sound and appropriate recommendations, it is your responsibility to provide complete and accurate information regarding pertinent aspects of your personal and financial situation including objectives, needs and values, investment statements, tax returns, copies of wills, powers of attorney, insurance policies, employment benefits, retirement benefits, and relevant legal agreements. This list is not all-inclusive and any other relevant information should be disclosed in a timely manner. It is your responsibility to ensure that any material changes to the above noted circumstances are disclosed to me as your financial planner on a timely basis since they could impact the financial planning recommendations.

I have no known conflicts of interest in the acceptance of this engagement. [I am disclosing to you the following conflicts of interest:]. I commit that I will advise you of any conflicts of interest, in writing, if they should arise. I acknowledge my responsibility to adhere to the standards established in CFP Board's *Standards of Professional*

Conduct. This includes placing your interest ahead of my own when providing professional services. In addition, since this engagement includes financial planning services, I am required to act as a fiduciary as defined by CFP Board. You can learn more about CFP Board's ethical requirements at www.CFP.net

I look forward to working with you and helping you reach your financial goals.

Sincerely,

Name of CFP® Professional

CFP® Professional:	Client:
I accept the terms of this engagement letter.	I accept the terms of this engagement letter.
______________________________	______________________________

CHAPTER 3

GATHERING CLIENT DATA

The second stage of the financial planning process is focused on the collection of all relevant data and determining the client's goals, both personal and financial, as well as defining their needs and priorities. These goals and objectives need to be mutually defined between the client and the planner with the scope of the engagement in mind before any decisions are made. Having goals and objectives that are clear, realistic and measurable is important to the ability to successfully reach them. This stage also assesses the client's values, attitudes, expectations, risk aversion, and time horizons. All of these are impacted by what the client actually reveals, therefore, it is important that all relevant quantitative information and documentation is collected during this stage, as information that is incomplete or inaccurate can influence the conclusions and recommendations decided upon by the planner. If the planner is not able to receive all information which is necessary, the engagement can be terminated or the scope of the engagement needs to be redefined to cover all the subjects for which there is not proper information.

This stage and its practice standards impact the public by ensuring the client's needs are first in importance and that all information is available and relevant, so as to ensure the successful achievement of the client's goals and objectives. The impact of its completion on the profession of financial planning is the encouragement for the public to use a planner that demonstrates a clear focus on the client. The public also wants a planner that meets the requirement of obtaining sufficient and relevant data upon to base recommendations. Lastly, this impacts the planner in that it puts in focus what is most important to develop appropriate recommendations.

In financial planning practice there are financial planning subject areas that represent the basic subject fields which are covered in the process of financial planning. These include financial statement preparation and analysis, insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning[6].

In the financial planning industry, the data gathering and analysis and evaluation stages are performed using specialized forms of software to aid in the accuracy of the decisions determined from the information provided by the client. The use of software allows planners to provide clients with accurate answers more quickly, while also removing some human error that could result from self-authored calculations.

When looking into what program to use, there are different approaches - goals based or cash flow based - and methods of calculation that should be considered when choosing a program that best fits a planners needs. Ease of use, integration, method of delivery, reporting capabilities, security, and ability to be transferred between different types of technology so that the information is portable, are all factors that differ between programs that must be considered before use.

For this project, MoneyGuidePro® was used to analyze and evaluate the information provided. As the leading financial planning software[7], it has been chosen “four years in a row by the Financial Planning Magazine Technology Survey as the most used financial planning software by RIAs (Registered Investment Advisors).[8]” Being an online application it can easily be used to collaborate with the client and other advisors, and it contains a presentation generator tool that can be used for this purpose in a way that can simplify the information for clients.

---

[6] CFP Board. (2013). Financial Planning. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/compliance-resources/frequently-asked-questions/financial-planning.
[7] PIEtech, Inc. (2013). MoneyGuidePro. https://www.moneyguidepro.com/.
[8] Blueleaf. (2013). Comprehensive Financial Planning paired with Proactive Portfolio Monitoring and Client Reporting by Blueleaf. Retrieved from http://www.blueleaf.com/partners/moneyguidepro/.

MoneyGuidePro® uses a goal based approach. The programming allows the planner and client to rank their goals based on importance; the higher the importance, the higher in the list of goals to be funded. This way the necessary goals are covered before those goals which are considered luxuries, instead of the goals being covered based on chronological order. In order to create recommendations for clients, the program allows an automatic solution that uses algorithms to generate the scenario with the highest probability of success. Or a planner can create "What-if" scenarios to change different aspects of the client's situation to improve the probability of success to be within the client's confidence zone. The client's confidence zone will come into play during the analyzing and evaluating stage and is calculated using a monte carlo simulation. The monte carlo simulation will generate a probability of success by running numerous simulations with random data in order to find a result. MoneyGuidePro® was designed to simplify the process of creating a financial plan while also decreasing the time it takes to do so.

THE JACKSONS

To begin the data gathering process, a background on the Jackson family is needed. The family consists of the father, Alvin, who is 43 years old and has been working for the Mach Speed Company for 16 years. The mother of the family is Fran who is also 43 years old and has been employed at the Water Striders Company for 5 years. The last three members of the family of five are the children – Curly, Larry, and Moe – who are 12, 8, and 6 years old respectively.

As part of financial statements that must be prepared and analyzed, the Jackson Family has a monthly budget, figure 3.1, which represents their main categories for the current expenses and for an alternative list of expenses that would be covered during retirement. To improve this process the client should bring with them bank statements, pay stubs, credit card balances, mortgage information, loan information, and an expense worksheet. The changes that would occur to reduce the amount needed in the budget, is the reduction of the taxes category once income from employment ends and retirement income begins. The personal and family expenses will significantly decrease due to the fact that the children will be grown up and supporting themselves by retirement. Loan payments on the principal residence and autos should also be completed by retirement. Lastly, insurance policy premiums such as for disability insurance will cease because the policy only covered up to age 65.

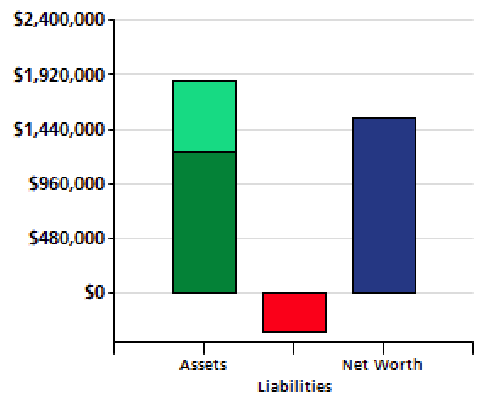
Figure 3.1

Expense Summmary	Current Budget	Alt 1 / Retirement Budget
Personal and Family Expenses	$3,794	$2,135
Personal Insurance Expenses	$767	$667
Principal Residence	$2,818	$774
Auto	$1,811	$700
Taxes	$2,863	$1,876
Total Monthly Expenses	$12,053	$6,152

In addition to a budget the family has a breakdown of their total net worth of $1,532,281, this is depicted in figure 3.2. A more detailed illustration of the liabilities and other assets are provided in figure 3.3 and figure 3.4 respectively. In order to have an accurate net worth total, the clients need to provide the planner with a list of assets and liabilities, and titles for the assets listed.

Figure 3.2

Summary | Detail



Investment Assets		$1,233,740
Other Assets	+	$640,000
Total Assets		$1,873,740
Liabilities	-	$340,000
Net Worth		**$1,533,740**

Description	Total
Investment Assets	
Employer Retirement Plans	$697,650
Taxable and/or Tax-Free Accounts	$508,090
Individual Retirement Accounts	$28,000
Total Investment Assets	**$1,233,740**
Other Assets	
Personal Asset	$640,000
Total Other Assets	**$640,000**
Liabilities	
Other Personal Debt:	$20,116
Vehicle Loan:	$40,000
Personal Real Estate Loan:	$279,884
Total Liabilities	**$340,000**
Net Worth	**$1,533,740**

Figure 3.3

Liabilities

Liability Summary

Type	Description / Company	Outstanding Balance	Interest Rate	Monthly Payment	
Home - 1st Mortgage	Principal Residence	$279,884	5.50%	$2,044	✖
Other - Credit Cards	Credit Cards	$20,116			✖
Vehicle - Car	Luxury SUV	$40,000		$1,111	✖
Totals		**$340,000**		**$3,155**	

Figure 3.4

Other Assets

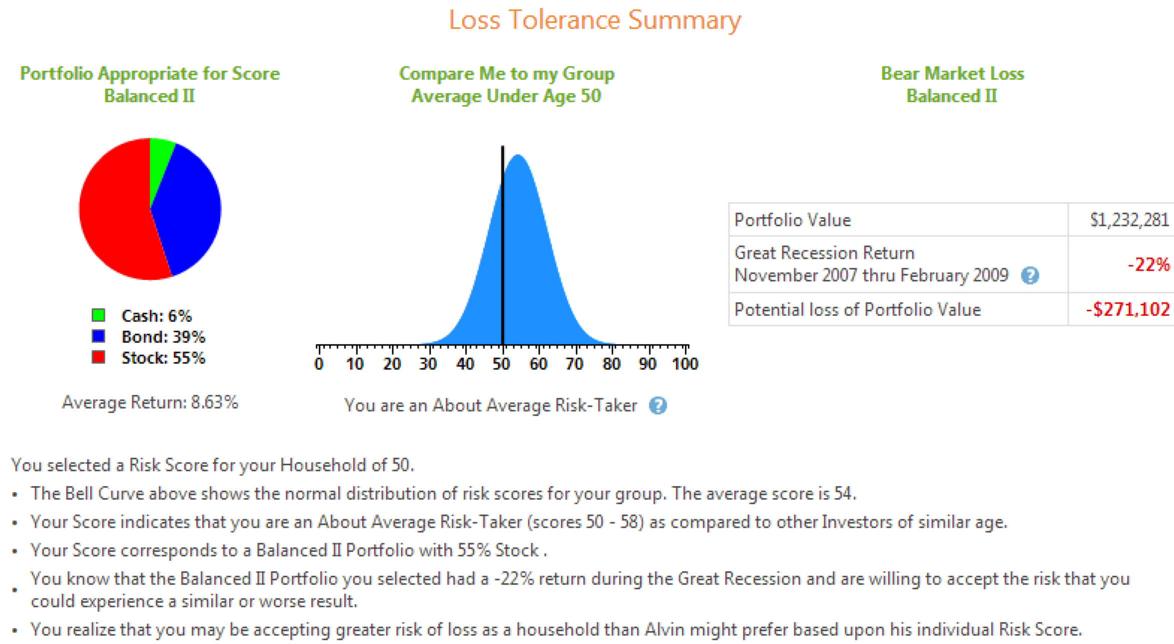
Other Assets Summary

Auto Assign

Description	Owner	Current Value	Future Value				Assign - How To Use	
			Received	Low	Expected	High		
Autos	Joint	$40,000					Not Funding Goals	✖
Furniture, Fixtures, Other	Joint	$150,000					Not Funding Goals	✖
Jewelry	Fran	$50,000					Not Funding Goals	✖
Old Movie Collection	Alvin	$100,000					Not Funding Goals	✖
Principal Residence	Joint	$300,000					Not Funding Goals	✖
Total All Assets		**$640,000**						

Moving forward it is important to analyze the risk level or how much risk a client can handle. MoneyGuidePro® labels it, “loss tolerance” and utilizes risk assessment. The program can evaluate the risk level a client can handle by using a questionnaire gauging the importance of different things such as growth, low volatility, inflation protection and more. Different risk levels can also be set by the separate household members in order to find a middle ground that would be most beneficial to the whole household. By doing this evaluation, a planner can be more aware of how a client will react to certain recommendations. The loss tolerance summary for the Jackson Family is depicted in figure 3.5.

Figure 3.5



Setting the client's personal and financial goals is the next focus when collecting data. MoneyGuidePro® allows the client and planner to rank the importance of each goal, breaking goals down into three categories; needs, wants, and wishes. In the instance of the Jacksons they wish to have funds for retirement, college for all three children and a vacation home in Colorado. This is depicted in Figure 3.6.

Figure 3.6

Goals *Less*

Importance / Description	Current Scenario
Needs	
10 Retirement - Living Expense Both Retired	 $100,000
8 College - Curly Years of School Start Year	$18,000 5 2019
8 College - Larry Years of School Start Year	$18,000 5 2023
8 College - Moe Years of School Start Year	$18,000 5 2025
Wants	
6 Vacation Home in Colorado Starting	$350,000 When both are retired
Total Spending for Life of Plan	**$3,261,520**

Since retirement is the Jackson's most important goal, all data concerning retirement planning should be obtained. The Jackson's desired retirement age is 62 in year 2032 and the planning age or the age that represents the client's life expectancy, which can be calculated using a life expectancy calculator in MoneyGuidePro®, is 96 in year 2066.

The amount that a client currently has in existing sources of retirement income impacts the calculation of how much will be needed. Currently, the Jackson family has Social Security benefits as represented in Figure 3.7, information that may be found in social security statements provided by the clients.

Figure 3.7

Description	Owner	Value	File Status	Assign - How to Use
Social Security	Alvin	$27,000 starting At Alvin's Full Retirement Age	Normal	Fund All Goals
	Fran	$21,600 starting At Fran's Full Retirement Age	Normal	Fund All Goals

In order to prepare for retirement the Jackson's have participated in a few investments. This includes both employee benefits and other investment planning. The total of current investments is depicted in figure 3.8.

Figure 3.8

Investments Less

Total Investment Portfolio	$1,232,281
Total Investment Assets	$1,232,281

This is broken down into the investments that are part of employee benefits planning, such as the 401(k) that Alvin has contributed to and the 401(k) that Fran is eligible for, but has not made a contribution to. All retirement account statements should be provided by the client to support the data. Retirement accounts also have lists of investment options that should be shared with the planner. Other assets that are part of this category include the traditional IRA owned by Fran and the jointly owned stock portfolio. Investment statements, with details about the assets, would also be beneficial for the data gathering stage. Figure 3.9 depicts the various investment assets and their totals.

Figure 3.9

Investment Assets

Investment Assets Summary

Auto Assign

Description	Owner	Current Value	Annual Additions	Assign - How To Use	
401(k)	Fran	$0		Fund All Goals	✖
401(k) Mach Speed	Alvin	$697,650	$7,530	Fund All Goals	✖
Stock Portfolio	Joint Survivorship	$508,233		Fund All Goals	✖
Traditional IRA - Account	Fran	$28,000		Fund All Goals	✖
Total All Assets		**$1,233,883**	**$7,530**		

Maximum Extra Savings

How much more could you save? (If necessary)	Maximum Extra Savings	Willingness to Save More
Extra Savings and Willingness	$6,300	Very Willing

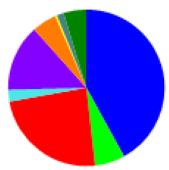
The current allocation of the assets in the investment vehicles is depicted in Figure 3.10, providing additional information into how the Jackson's are currently established and what type of products they may be interested in investing money towards.

Figure 3.10

Current Allocation

This page shows how your Investment Portfolio is currently allocated among the different Asset Classes. It includes only those Investment Assets you are using in this Plan (those with Goals Assigned) and excludes those associated with Investment Strategies. The Rate of Return shown below is based on your Investment Portfolio and will be used to calculate your Current Plan results.

Current Portfolio



Total Stock
25%

Historical Assumptions (1970 to 2012)	
Total Return	7.20%
Bear Market Returns	
Great Recession November 2007 thru February 2009	-7%
Bond Bear Market July 1979 thru February 1980	4%

More

Current

Asset Class	Rate of Return	Investment Portfolio	
		Value	% of Total
Cash & Cash Alternatives	5.30%	$517,763	42%
Short Term Bonds	6.82%	$76,816	6%
Intermediate Term Bonds	7.91%	$294,619	24%
Long Term Bonds	9.12%	$30,312	2%
Large Cap Value Stocks	9.34%	$169,643	14%
Large Cap Growth Stocks	9.36%	$62,745	5%
Mid Cap Stocks	11.32%	$4,709	0%
Small Cap Stocks	12.27%	$17,400	1%
International Developed Stocks	9.73%	$58,275	5%
International Emerging Stocks	9.94%	$0	0%
Unclassified	0.00%	$0	0%
Total :		**$1,232,281**	**100%**

The target band for the Jacksons is depicted in figure 3.11, which provides a summary of options for different investment portfolios, and how they compare to the current portfolio. The target portfolio is indicated by taking into account the risk tolerance of the client's acquired from the loss tolerance summary and their expected rate of return, which is 8%.

Figure 3.11

Current	Risk Based	Target Band	Name	Cash	Bond	Stock	Alternative	Average Return		Worst One Year	Standard Deviation
								Total	Real		
→			Current	42%	33%	25%	0%	7.20%	2.92%	-5.43%	5.18%
			Capital Preservation I	8%	64%	28%	0%	7.88%	3.60%	-4.23%	5.88%
			Capital Preservation II	8%	54%	38%	0%	8.16%	3.88%	-9.05%	7.10%
			Balanced I	6%	49%	45%	0%	8.39%	4.11%	-12.33%	8.10%
	→	→	Balanced II	6%	39%	55%	0%	8.63%	4.35%	-17.40%	9.60%
			Total Return I	4%	35%	61%	0%	8.82%	4.54%	-20.40%	10.56%
			Total Return II	4%	24%	72%	0%	9.09%	4.81%	-25.80%	12.38%
			Capital Growth I	2%	16%	82%	0%	9.38%	5.10%	-30.46%	14.03%
			Capital Growth II	0%	9%	91%	0%	9.66%	5.38%	-34.68%	15.56%
			Equity Growth	0%	0%	100%	0%	9.86%	5.58%	-39.41%	17.15%

→ Target Portfolio

Average Inflation Rate : **4.28%**

Insurance planning and risk management is the next financial planning subject area that requires data collection from the clients. The Jackson's have multiple insurance policies and the details of each are depicted in Figure 3.12. When collecting data on this subject area it is important to get documents about the policies, so that all information and details concerning them are on file. Such documents should include previous premium statements, the insurance contract, declaration pages, and any forms of proof of insurance.

Figure 3.12

Insurance Policies

Insurance Policies Summary (not included in Assets)

Description / Type	Owner	Insured	Annual Premium	Death Benefit	
Alvin's Disability Policy Disability - Personal		Alvin	$1,200		×
Group Term by Mach Speed Life - Group Term	Other Person or Entity	Alvin		$50,000	×
Group Term by Water Striders Life - Group Term	Other Person or Entity	Fran		$50,000	×
HO3 with Endorsements P & C - Homeowners			$3,600		×
PAP P & C - Auto			$2,400		×
Term owned Alvin Life - Term Life	Alvin	Alvin	$2,000	$225,000	×
Term owned Fran Life - Term Life	Fran	Fran	$1,000	$100,000	×

Income tax planning is another of the subject areas to be discussed. In a normal engagement during the practice of financial planning, the data gathered here would include receiving past tax returns from the client in order to ensure that they have been taking out the proper deductions and that no mistakes have been made. A tax estimate for the following year would also be beneficial for the planner to have. As a planner there are issues with providing tax advice, due to the fact that it is not an area of expertise. The budget would also be used to evaluate the client's financial situation for this subject area, as taxes are one of the main categories.

Lastly, concerning estate planning the Jacksons do not have any legal or estate planning documents. They do not expect to be responsible for their parents, nor do they expect to receive any inheritances from their parents or grandparents. They expressed their dislike of taxes and the importance of having flexibility. Their goals are to take care of each other and be able to leave any remaining assets from their estate in a trust for the three boys.

CHAPTER 4

ANALYZING AND EVALUATING THE CLIENT’S CURRENT FINANCIAL STATUS

The third stage of the financial planning process involves analyzing all the information gathered from stage two to build an understanding of the client’s financial situation. This allows the planner to then evaluate the ability for all goals and objectives to be realized by what resources the client currently has and what course of action he is following. It is in this stage that personal assumptions such as retirement age(s), life expectancy(ies), income needs, risk factors, time horizon, and special needs are considered. Additionally, economic assumptions such as inflation rates, tax rates, and investment returns[9] must also be considered. This stage in the process is of high importance as it forms the foundation for determining the current status of the client. The process could identify issues that need to be further addressed and could ultimately lead to yet another redefinition of the scope of the engagement or the need for additional information.

Not only will this stage increase the chances of all client goals and objectives being achieved, it also provides clearer awareness of the client’s financial planning issues. This stage provides the planner a foundation from which client-goal and objective-specific recommendations can be made. It also provides an increased recognition and confidence in the financial planning process for the planners, which benefits the profession.

[9] CFP Board. (2013). Practice Standards 300. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/standards-of-professional-conduct/financial-planning-practice-standards/practice-standards-300.

THE JACKSONS

After entering all the data acquired in the previous stage to the MoneyGuidePro® program, an accurate financial status of the household can be determined. In the instance of the Jacksons you can see in figure 4.1 that the program has ascertained that the probability of success for all goals (retirement, college for all children, and a vacation home) being reached is 99 percent, which is above the confidence zone. The confidence zone in green shows where the client would like to be concerning the probability of all goals being funded. The average return column demonstrates that there is a 100 percent chance that the goals in that category will be funded, using a calculation that takes into account the same average return over the life of the plan. On the other hand, the bad timing column calculates the percent chance of funding the goals if the worst losses in the market were to occur at the beginning of retirement with rate of return reverting back to the mean after that. While at first glance this may seem like a good thing; in reality, it simply means that the Jacksons are reducing the standard of living they currently have in order to have such confidence in future results and being overly cautious with their assumptions of future situations.

Figure 4.1

Goals	Current Scenario	
	Average Return	Bad Timing
Needs	100%	100%
10 Retirement - Living Expense		
8 College - Curly		
8 College - Larry		
8 College - Moe		
Wants	100%	100%
6 Vacation Home in Colorado		
Safety Margin (Value at End of Plan)		
Current Dollars	$2,158,798	$1,869,788
Future Dollars	$10,651,779	$9,225,768
Monte Carlo Results	**Likelihood of F**	
Your Confidence Zone 70% - 90%	 Probability of Success: 99% Above Confidence Zone	
Total Spending	$3,261,520	

Another issue discovered in the data is that for Alvin's employer sponsored 401 (k) with Mach Speed Company he is contributing over the employee match maximum. He is currently contributing 10 percent of his yearly salary to the plan when the employer match is only a max of 4 percent of salary. Therefore, he is participating a great deal more than what his employer is, when he could be placing the rest of that distribution into a more beneficial vehicle. For example, he could contribute to a Roth IRA up to $5,500 for 2013 and the funds would not be taxed at distribution.

Also concerning retirement, the Jacksons are presently planning to receive their Social Security benefits at their full retirement age of 67 but planning to retire at 62. In doing so, they are going 5 years without social security benefits. While these benefits are not in use for those five years, it is not a negative thing. This means that, the Jacksons have enough assets to cover their desired living expense level without withdrawing social security early and reducing the benefits.

After further analysis the household investment assets are majority cash and cash alternatives. There is also the fact that the current rate of return for all asset classes is 7.20 percent when the Jacksons expressed that they would like to get 8 percent return.

Concerning insurance, the result of analysis shows that the family does not need life insurance; therefore the current policies are unnecessary. The reason this is the case is that in the instance that Alvin or Fran dies their current financial situation will cover all the costs of living for the survivor until retirement without the assistance of life insurance policies. Figure 4.2 illustrates the current situation with life insurance.

Figure 4.2

Life Insurance Needs Analysis

This analysis shows how much Life Insurance you need to fulfill your Financial Goals based upon the information in the scenario selected.

$0	Life Insurance Needed	$0
$275,000	Existing Life Insurance	$150,000
$0	**Additional Needed**	**$0**

Another insurance type that was analyzed is disability insurance. In this instance the Jackson's are not sufficiently funded to cover the possibility of a disability. Since Alvin has a plan already he is covered in the instance of disability length of 2, 5, or 10 years. However, if he were to be disabled only 1 year or for 23 years he would have a shortfall in funds. If Fran was to be disabled, the household would be short on funds for every disability length.

Lastly, the Jacksons are without any estate planning documents which can cause a great deal of issues when the estate goes into probate. If an estate does not have a will, intestacy laws will take effect and the court will distribute all the documents based on the current law. On a positive note, the family will not be liable for estate taxes due to the final amount to be passed on not being at or above $5,250,000, which is the current amount that triggers an estate tax return.

CHAPTER 5

DEVELOPING AND PRESENTING RECOMMENDATIONS AND/OR ALTERNATIVES

The fourth stage in the financial planning process is the main point of financial planning in that it is the point where the planner decides on the recommendations that will successfully allow the client to reach the set goals and objectives. The first step of this stage is the identification and consideration of all alternatives, which includes continuing with the current course of action. Next the planner develops the recommendations based on the alternatives already selected, and finally, presents the recommendations to the client.

While the planner evaluates the different alternatives, there may be some need to conduct further research and consult with other professionals on the client's financial planning issues that the planner does not have the level of competency or legal and/or regulatory clearance to address. In this step of the process, there could be a varying amount of alternatives available and different planners could identify different alternatives based on varying professional judgments.

Recommendations based on alternatives that have been selected and the client's current course of action, should attempt to realistically meet the client's goals and objectives. The recommendations from a planner could be a single independent action or a selection of actions that are combined to be executed together. "The recommendation(s) shall be consistent with and will be directly affected by the following: mutually defined scope of the engagement; mutually defined client goals, needs, and priorities; quantitative data provided by the client; personal and economic assumptions; practitioner's analysis and evaluation of client's current situation; and alternative(s) selected by the practitioner.[10]" The continuation of the current course of action may be the recommendation or a change may be needed. Recommendations for change may have specific instructions with details or point the client in a general direction. Some recommendations may even include the need for a goal to be modified in order to achieve success. As alternatives can vary amongst different planners, the final recommendations will as well; as long as the client's goals and objectives being met is the main goal, they are valid.

The final step of this stage begins with presenting the information in a way so that the client understands the current situation. Once this is understood, the planner presents the recommendation itself and how it will impact the client's ability to meet the set goals and objectives, while avoiding portraying the planner's opinion as fact. Factors that are important to the client's understanding of the recommendations must be communicated, they include: personal and economic assumptions, interdependence of recommendations, advantages and disadvantages, risks, and/or time sensitivity[11]. Situations may change so it is important that the client understands the possibility and the planner must ensure that all conflicts of interest are communicated with an explanation of the possible impact the conflicts could have on the recommendations. The presentation of recommendations serves to gauge whether client expectations will be met, if the client is willing to act, and if modifications are necessary.

The public benefits from this stage when recommendations, and how to complete them, are developed and communicated to meet the client's goals and objectives. The profession receives an enhanced perception from the public of the objectivity and value of financial planning. The planner will have a client that is more satisfied with the service when a foundation to communicate meaningful and responsive solutions is established and the probability of the client accepting the recommendations and act upon them is increased.

---

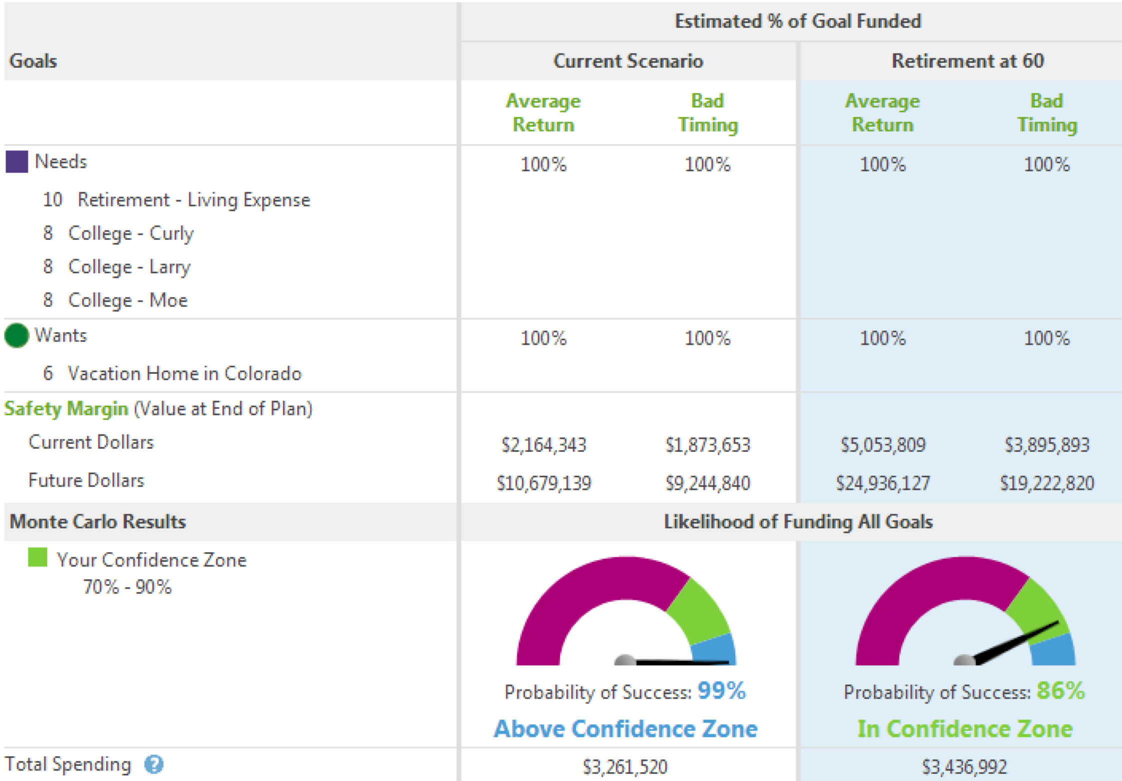
[10] CFP Board. (2013). Practice Standards. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/standards-of-professional-conduct/financial-planning-practice-standards/practice-standards-400.
[11] *Ibid.*

THE JACKSONS

In consideration of all possibilities and alternatives after analysis of the data provided by the Jacksons, I have come up with a few recommendations to improve their situation. The recommendations that address the high level of probability for success are the Mach Speed 401(k) contributions, retirement age, social security withdrawal, the current investment allocation, insurance needs, and estate planning needs.

To begin, the current probability of success of 99 percent is something that needs to be changed and is quite the unusual problem. In the majority of engagements with financial planners, the clients are below their confidence level and do not have the required funds to successfully meet all goals. This means that steps would need to be taken to increase the level of retirement income, which could include decisions that sacrifice certain desires of the clients. In the Jackson's situation, they are prepared enough to be able to fund all goals, so the decisions to be made are significantly easier. Also, the probability of success being so high is a sign of being overly cautious which is unnecessary. Life is not fixed as the programming suggests, so if the market or economy changes and the success rate drops below the target zone, there will be room to make the necessary changes. By taking the recommendations as follows, the Jackson's can fund 100 percent of their goals and still have an 86 percent probability of success. The comparison of the current and the Retirement at 60 scenarios that I will describe is illustrated in Figure 5.1.

Figure 5.1



Goals	Estimated % of Goal Funded			
	Current Scenario		Retirement at 60	
	Average Return	Bad Timing	Average Return	Bad Timing
Needs	100%	100%	100%	100%
10 Retirement - Living Expense				
8 College - Curly				
8 College - Larry				
8 College - Moe				
Wants	100%	100%	100%	100%
6 Vacation Home in Colorado				
Safety Margin (Value at End of Plan)				
Current Dollars	$2,164,343	$1,873,653	$5,053,809	$3,895,893
Future Dollars	$10,679,139	$9,244,840	$24,936,127	$19,222,820
Monte Carlo Results	Likelihood of Funding All Goals			
Your Confidence Zone 70% - 90%	Probability of Success: 99% Above Confidence Zone		Probability of Success: 86% In Confidence Zone	
Total Spending	$3,261,520		$3,436,992	

My first recommendation for the Jacksons is to follow the target band suggestion of the Balanced II portfolio from figure 3.11. In changing to the Balanced II portfolio they are not only balancing out the weight of cash and cash alternatives with other asset classes, but they may also be improving their total return. They wished to have a total return close to 8 percent and the new balance may give them approximately 8.63 percent versus the 7.20 percent they current have. The increase in return is due in some part to the inclusion of 30 percent more stocks. The Jacksons have the ability to own investments that have more risk, which in return may provide them with a higher rate of return.

My next recommendation concerns the Mach Speed Company 401(k) plan in which Alvin is currently participating. By contributing 10 percent to the plan not all of the contribution is being matched by the employer. Therefore, I would suggest that Alvin contribute the maximum that would be matched by Mach Speed which is 4 percent of his salary or $3,026. This way the money in excess of the $3,026 previously going towards the plan and a small portion more, can go to a Roth Individual Retirement Plan (RIRA). I suggest that he contributes that maximum amount allowed, which is currently $5,500.

The next retirement recommendation I have is for both Alvin and Fran to retire two years earlier at the age of 60, instead of 62. I suggest this because they are in the financial situation where they are able to do so. I would also suggest that they continue to plan on taking Social Security at their full retirement age (FRA) of 67. At their FRA they will receive their full benefits and they are not burdened enough to be concerned with all goals not being funded in the 7 year gap between retirement and withdrawal.

My recommendation for the issues of life insurance is to reallocate all funds from the life insurance policies that are no longer needed and increase the disability insurance coverage for Fran. While Alvin has a shortfall of approximately $15,000 in the first year of disability, short term policies are extremely overpriced. Therefore, Alvin can simply depend on funds he already has to cover the shortfall if he was to become disabled, by re-evaluating his financial situation with the planner. For the shortfall that occurs at the end of the policy, age 65, Alvin will be able to rely on his retirement funds. On the other hand, Fran needs a great deal more coverage. Her policy would need to cover a shortfall of $30,000 each year adjusted for inflation.

Finally, for estate planning the family needs to get many legal documents created. To begin, the Jacksons need to have a will created so that they can direct all of the distribution of their estate at death. Part of this includes letters of intent that will further support and describe how the Jacksons would like things carried out during probate. Also in association with the will, there needs to be a guardianship designation, in the instance that something was to happen to both Alvin and Fran the kids would need a proper guardian selected by their parents. There needs to be an assurance that all accounts and insurance policies have beneficiary designations assigned. Medical directives such as a living will, medical power of attorney and do not resuscitate order, are also important documents that would benefit the Jackson family. When they are prepared, the difficult decisions and the choice of taking on financial hardships by the family are avoided by the document owner clearly stating all desires. The last document I would suggest the Jacksons obtain is a durable power of attorney designation so that if something was to happen, someone that the family trusts can make the important decisions for them. The last recommendation for the purpose of estate planning would be the creation of trusts for the Jackson's three children. With trusts in place, the children's inheritances could be controlled and dictated in accordance with Alvin and Fran's wishes after their deaths.

CHAPTER 6

IMPLEMENTING THE RECOMMENDATIONS

The fifth stage of the financial planning process involves an agreement between the client and planner on how the chosen recommendations from stage four will be accomplished. The planner can be the individual that carries out the recommendations or can coach the client by coordinating with other professionals to complete the required actions. It is the client's responsibility to accept or reject recommendations and delegating the various implementation responsibilities. If the planner is meant to perform any services, they must be mutually agreed upon and as a result the scope of the engagement may need to be modified. The planner may have the following responsibilities: "identifying activities necessary for implementation; determining division of activities between the practitioner and the client; referring to other professionals; coordinating with other professionals; sharing of information as authorized; and selecting and securing products and/or services.[12]" All conflicts of interest, compensation sources or material relationships with other professionals or advisors that have not been made clear to the client, need to be at this stage. There must be an explained basis for referring the client to any other professional or advisor, including why the other individuals are qualified to aid the client.

This stage includes the selection of what products and services the client needs which are in congruence with the set goals and objectives, while also being considerate of the client's financial situation. Qualitative and quantitative information should be used for the planner's professional judgment in selecting the products and services which are in the client's best interest.

[12] CFP Board. (2013). Practice Standards. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/standards-of-professional-conduct/financial-planning-practice-standards/practice-standards-500.

As mentioned above, certain aspects of the stages could differ amongst different planners, and this stage is no different. Different products and services could be selected between the different planners, just as the client's goals and objectives could be met by choosing more than one product or service that exists. All disclosures regarding the products and services chosen should be made, as required by applicable regulations.

The likelihood that the client's goals and objectives will be achieved is increased by this stage to the benefit of the client. The planner has a long-term benefit by selecting the products and services in the best interest of the client. The credibility of the profession in the opinion of the public is also increased by the proper completion of this stage.

THE JACKSONS

For the Jacksons to implement the recommendations that were made in the previous chapter, I would help them gain contact or contact on their behalf, as defined in the scope of the engagement, several professionals. The Jackson's stock broker would be needed to reallocate the holdings for the investment assets. The provider for Mach Speed's 401(k) plan would need to be contacted to reduce the contribution amount from Alvin's salary. For opening a Roth IRA, after looking at the local options, the proper financial institution would be selected to set up the account. For the purchase and reallocation of funds for different insurance policies, various insurance companies would be needed to assess the best way to go about it and to find the place with the best prices for new policies. Taxes would need to be handled by an expert such as a Certified Public Accountant (CPA), to guarantee everything is being filed correctly and that all deductions and credits are maximized. Lastly, to complete all the estate planning recommendations, a lawyer would be needed to draft the documents to insure that they are correctly completed.

CHAPTER 7

MONITORING THE RECOMMENDATIONS

The sixth and final stage of the financial process is the decision of who will monitor the plan's progress towards the client's goals: the client or planner. This decision better aligns the client's expectations with the level of monitoring that the planner intends to provide. If the planner is in charge of monitoring, after a review of the current situation, the client should receive periodic reports from the planner throughout the client's life to suggest additional recommendations, if needed. This activity, including possible others, should be reasonably defined and communicated based on the planner's ability and willingness to provide the actions from the beginning. There is a better understanding of the monitoring service if the planner explains what will be monitored, how frequently it will occur, and how it will be communicated. This could result in reinitiating stages of the financial planning process or modifying the current scope of the engagement.

As with every stage of the process, the monitoring stage also impacts the client, the planner, and the profession. The client, when both the planner and client have a mutual understanding about monitoring responsibilities for the recommendations, has expectations that have been met. The planner has clearer responsibilities and the client will be more satisfied. Lastly, the profession benefits when clients are satisfied and the practice standard stimulates awareness in the fact that financial planning is a dynamic process rather than a single action.

In the future, there will be continued meetings to assess progress through the life of the plan and make any necessary adjustments; these meetings will occur at the frequency desired by the Jacksons. The Jacksons expect that between meetings there will be continued monitoring of the plan in order to catch any issues that would need to be addressed. All subject areas of the plan would need to be continually monitored. The monitoring process would include investment assets, so that any rebalancing that is necessary can be taken care of at the appropriate time. Insurance policies should be maintained to continue to meet standards and tax planning should be revisited every year to confirm that tax returns are being filed correctly. All trusts and retirement accounts should be monitored to make sure that the Jacksons are putting the correct amounts in and not going over the limits. The process of monitoring the plan will be constant as things will change throughout the lifetime of a client.

CHAPTER 8

WHY ARE FINANCIAL PLANS IMPORTANT?

The financial planning industry is one that is undervalued in current society. As a result, so is the idea of having a financial plan that prepares individuals for the future. The completion of a financial plan can be extremely beneficial to all people in different stages of life, as well as those in different levels of financial stability. A plan can secure financial well-being and give an individual peace of mind, so that they may be more productive in different areas of life. The ability to clarify short and long term goals will make financial decisions a great deal easier to decide upon and will also prepare individuals for surprises that inevitably occur. Surprises that are considered unexpected financial barriers, such as layoffs, disasters, serious illnesses, etc., can be reasonably prepared for with a financial plan. A financial plan can also help individuals handle many situations such as approaching retirement, funding retirement for the future, entering a retirement plan with a company, handling a marriage or divorce, preparing for the birth of a child or adoption, managing the difficulties of losing a loved one, gaining an inheritance, caring for aging parents or a disabled child, funding education, buying or selling a business, and inheriting or passing on a family business.

In order to have a truly efficient financial plan, the aid of a financial planner is beneficial. Most individuals do not have the expertise or possess little to no experience with personal finance, which is a major barrier to the successful completion of a financial plan. The National Foundation for Credit Counseling (NFCC) and the Network Branded Prepaid Card Association (NBPCA) found in the 2013 Financial Literacy Survey that “40 percent of U.S. adults gave themselves a grade of C, D, or F on their knowledge of personal finance, thus it is not surprising that nearly four in five (78%) agree that they could benefit from additional advice and answers to everyday financial questions from a professional.[13]" Another barrier is the lack of time in daily life to truly focus on a plan and follow through with the decisions; actions that can have a negative impact on financial health. A financial planner can help combat these issues by helping a client get started, keeping them on track, being an objective third party for decisions that are relatively emotionally hard to make, bringing financial issues to the individual's attention to be addressed, and being an intermediary between other professionals. A financial planner will follow the financial planning process discussed in the prior chapters to benefit a client and aid in reaching all goals and objectives of the client.

[13] National Foundation for Credit Counseling. (2013). NFCC and NBPCA Financial Literacy Survey Reveals Consumers' Top Financial Concerns. http://www.nfcc.org/newsroom/newsreleases/NFCC_NBPCA.cfm.

BIBLIOGRAPHY

Blueleaf. (2013). Comprehensive Financial Planning paired with Proactive Portfolio Monitoring and Client Reporting by Blueleaf. Retrieved from http://www.blueleaf.com/partners/moneyguidepro/.

CFP Board. (2013). Compliance Resources. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/compliance-resources.

CFP Board. (2011). Consumer Guide to Financial Planning. Retrieved from. http://www.cfp.net/docs/publications/download-a-pdf-version.pdf?sfvrsn=0.

CFP Board. (2013). Financial Planning. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/compliance-resources/frequently-asked-questions/financial-planning.

CFP Board. (2013). Practice Standards 100. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/standards-of-professional-conduct/financial-planning-practice-standards/practice-standards-100.

CFP Board. (2013). Practice Standards 200. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/standards-of-professional-conduct/financial-planning-practice-standards/practice-standards-200.

CFP Board. (2013). Practice Standards 300. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/standards-of-professional-conduct/financial-planning-practice-standards/practice-standards-300.

CFP Board. (2013). Practice Standards 400. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/standards-of-professional-conduct/financial-planning-practice-standards/practice-standards-400.

CFP Board. (2013). Practice Standards 500. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/standards-of-professional-conduct/financial-planning-practice-standards/practice-standards-500.

CFP Board. (2013). Practice Standards 600. Retrieve from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement/standards-of-professional-conduct/financial-planning-practice-standards/practice-standards-600.

CFP Board. (2013). Professional Standards & Enforcement. Retrieved from http://www.cfp.net/for-cfp-professionals/professional-standards-enforcement.

Financial Planning Association. (2013). Benefits. Retrieved from http://www.fpanet.org/WhatisFinancialPlanning/Benefits/.

Financial Planning Association. (2013). Financial Planning Process. Retreived from http://www.fpanet.org/ToolsResources/FPAMoneyMakeover/FinancialPlanningProcess/.

Financial Planning Association. (2013). Retrieved from http://www.fpanet.org/.

Financial Planning Standards Board. (2013). About FPSB. Retrieved from https://www.fpsb.org/about.html.

Financail Planning Standards Board. (2013). CFP Certification Requirements. Retrieved from https://www.fpsb.org/certificationandstandards/cfpcertification.html.

National Association of Personal Financial Advisors. (2012). Why Financial Planning is Important. Retrieved from http://www.napfa.org/consumer/WhyFinancialPlanningisImportant.asp.

National Foundation for Credit Counseling. (2013). NFCC and NBPCA Financial Literacy Survey Reveals Consumers' Top Financial Concerns. http://www.nfcc.org/newsroom/newsreleases/NFCC_NBPCA.cfm.

PIEtech, Inc. (2013). MoneyGuidePro. https://www.moneyguidepro.com/.